

## COUNCIL COMMUNICATION

<b>DATE:</b>  July 21, 2003	<b>SUBJECT: FINAL READING OF ORDINANCE #2003-O-162</b>  Authorizing the City Manager to execute a multi year lease with the sole bidder, U.E.T.A. Of Texas, Inc. for approximately 7, 700 square feet of unbuilt retail space located adjacent to the up-coming new bridge administration building at Bridge I at the corner of Convent and Water Street.  1. Lease term is for twenty (20) years. 2. Rent: Yrs. 1-4.....\$8,000 per month. Yrs. 5-8.....\$8,160 per month Yrs. 9-12.....\$8,323.17 per month Yrs. 13-16.....\$8,489.67 per month Yrs. 17-20.....\$8,659.50 per month 3. Percentage rent: In addition to the Annual Rent, Tenant shall pay, on a yearly basis, three percent (3%) of each dollar of Gross Revenue for the first \$3,000,000 and three and one-half (3½%) percent of each dollar of Gross Revenue above \$3,000,000.
<b>INITIATED BY:</b> Larry Dovalina, City Manager	<b>STAFF SOURCE:</b> Rafael Garcia Jr., Laredo Bridge Systems Director
<b>PREVIOUS COUNCIL ACTION:</b> Public Hearing of Introductory Ordinance passed and approved on July 7, 2003.	
<b>BACKGROUND:</b>  As part of the El Portal Project and more specifically the Bridge I Modification Project, the City of Laredo elected to offer to the public a multi year lease for approximately 7,700 square feet of un-finished retail space adjacent to the new administration building located at the corner of Convent and Water Street.  A Request For Proposal was published in the newspaper on March 16, 2003 with two (2) additional publications in the newspapers legal section, one on March 15 and the other on March 22 of 2003. The sole bidder on this RFP was U.E. T. A. Of Texas, Inc.  The City of Laredo has in the past leased properties to U.E.T.A. Of Texas, Inc. and has never had any problems with this customer. U.E.T.A of Texas Inc. is presently leasing 2,526 square feet of city property located at Lot 10, Block 22 in the Western division of the City of Laredo.	
<b>FINANCIAL IMPACT:</b> Rental income of \$1,994,352.32 over the life of the initial 20 year term + a 3 to 3 ½ % of gross sales over the same period.	
<b>COMMITTEE RECOMMENDATION:</b>  N/A	<b>STAFF RECOMMENDATION:</b> Approval for the City Manager to execute a multi-year lease with U.E.T.A. Of Laredo Texas, Inc.

## ORDINANCE # 2003-O-162

AUTHORIZING THE CITY MANAGER TO EXECUTE A MULTI YEAR LEASE WITH THE SOLE BIDDER, U.E.T.A. OF TEXAS, INC. FOR APPROXIMATELY 7,700 SQUARE FEET OF UNBUILT RETAIL SPACE LOCATED ADJACENT TO THE UP-COMING NEW BRIDGE ADMINISTRATION BUILDING AT BRIDGE I AT THE CORNER OF CONVENT AND WATER STREET.

1. Lease term is for twenty (20) years.
2. Rent: Yrs. 1-4..... \$8,000 per month.  
Yrs. 5-8..... \$8,160 per month  
Yrs. 9-12..... \$8,323.17 per month  
Yrs. 13-16..... \$8,489.67 per month  
Yrs. 17-20..... \$8,659.50 per month
3. Percentage Rent: In addition to the Annual Rent, Tenant shall pay, on a yearly basis, three percent (3%) of each dollar of Gross Revenue for the first \$3,000,000 and three and one-half (3 ½ %) percent of each dollar of Gross Revenue above \$3,000,000.

WHEREAS, the Director of the Laredo Bridge System recommends that the City Council approve the proposed multi-year lease, attached hereto as Exhibit A, in furtherance of the development of the City owned property being part of the Laredo Bridge System; and

WHEREAS, the Director of the Laredo Bridge System finds that U.E.T.A. Of Texas, Inc. has maintained, over previous years, a very positive business relationship with the City of Laredo regarding similar leases; and

WHEREAS, the City Council finds that the proposed multi-year lease, copy of which is attached hereto, Exhibit A, would be in the City's interest and benefit.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

Section 1: Authorizing the City Manager to execute a multi year lease with the sole bidder, U.E.T.A. Of Texas, Inc. for approximately 7,700 square feet of unbuilt retail space located adjacent to the up-coming new bridge administration building at Bridge I at the corner of Convent and Water street.

Section 2: This lease shall become effective upon passage thereof.

PASSES BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS THE \_\_\_\_ DAY OF \_\_\_\_, 2003.

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**ELIZABETH G. FLORES**  
**MAYOR**

**ATTEST:**

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**GUSTAVO GUEVARA**  
**CITY SECRETARY**

**APPROVED AS TO FORM:**

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**JAIME L. FLORES**  
**CITY ATTORNEY**